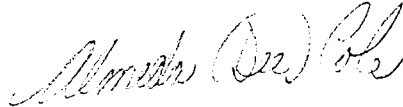


For: State and County Offices and Ag Credit Teams

**Administrative Offset of Accelerated Farm Credit
Programs' Accounts and Delinquent Leases**

Approved by: Acting Deputy Administrator, Farm Credit Programs



1 Overview

**A
Background**

A recent audit completed by OIG determined that the Agency was not offsetting FSA payments made to accelerated direct Farm Credit Programs (FCP) borrowers.

**B
Purpose**

This notice is being issued to require SED's to consider all accelerated FCP accounts for administrative offset, according to FmHA Instruction 1951-C. Delinquent leases of inventory property must also be considered for offset.

**C
National Office
Contact**

Direct questions regarding this notice to LSPMD, through the Area Office.

Disposal Date	Distribution
October 1, 1997	State Offices; State Offices relay to County Offices and Ag Credit Teams

2 Action

A

**Administrative
Offset of
Accelerated
Farm Credit
Program
Accounts**

SED's will ensure that offsets are considered on all FSA program benefit payments to be made to a producer who has an accelerated direct FCP account or delinquent inventory property lease, according to FmHA Instruction 1951-C. Offsets will be taken according to 58-FI.

SED's will ensure that the 30-day notification period has expired before offsetting payments. County Offices are not to withhold payments awaiting administrative actions to perfect offsets.

B

**1995 Deficiency
Payment**

SED's will ensure that 1995 overpayments are reduced from production flexibility contracts before offsets.
